

(List the names and addresses of House Members who wrote the letter)

Dear Friends,

This is in response to your letter asking me to include in the Call for the upcoming Special Session “a state-financed homeowners grant program for Coast residents.”

Although I did not receive the letter directly, the *Sun-Herald* newspaper, one of the publications to whom it was sent, made it available; and I’m glad to respond.

Today I have issued the Call for a Special Session beginning at 12:00 noon on Thursday, October 5, for the sole purpose of reducing the sales tax on modular housing from 7% to 3% and, thereby, reducing the cost of affordable housing for families who lost their homes in Hurricane Katrina by \$4,000 - \$6,000 per home. As you know the Senate passed this relief for Coast homeowners unanimously during last month’s Special Session, but it was not taken up by the House.

The Call does not include the issue of “a state-financed homeowners grant program for Coast residents.” The federal government has provided more than sufficient funds through the \$5.058 billion Community Development Block Grant allocation made by the U.S. Department of Housing and Urban Development in April. Indeed, after sufficient funds for housing needs have been set aside, we are using more than \$1 billion for such non-housing needs as construction of new water and sewer infrastructure, ratepayer mitigation to reduce increases in both homeowner insurance and utility costs, and economic development.

There is no reason for Mississippi taxpayers to be forced to pay off \$100 million in bonds plus interest when the federal government has already made available to us grant funds in excess of the amount needed to fulfill the need you say you want to address.

While I am disappointed that the CDBG Homeowner Grant Program is taking longer than anyone would have wanted, a program paid for by Mississippi taxpayers wouldn't speed things up. Federal laws and regulations about duplication of SBA benefits, the biggest issue that has slowed down the actual payment of the approximately 10,000 homeowner grants that have already been approved under the federally-funded program, would also apply to a state-financed grant program.

Therefore, I will not add this costly, unnecessary burden on our constituents for the Call.

Sincerely,

Haley Barbour

HRB/ams

CC: Lt Governor Amy Tuck

Speaker Billy McCoy

All members of Mississippi Legislature

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## HERE IS THEIR ACTUAL LETTER

We the undersigned members of the Mississippi House of Representatives hereby request Gov. Haley Barbour to include a state-financed homeowners grant program for Coast residents in his call for any future special session.

We have noted the extreme disappointment expressed by several officials, including U.S. Sen. Trent Lott and U.S. Rep. Gene Taylor, about the slowness of the federally sponsored grant program administered by Gov. Barbour through the Mississippi Development Authority. We, therefore, feel it is imperative that he include a program to help Coast homeowners using state funds on the agenda for any special session.

We have never been more united in our efforts to see that the devastated homeowners of the Mississippi Gulf Coast region are able to rebuild their homes and their communities as quickly as possible. While an estimated 17,000 families would qualify for the program, many Coast residents continue to live in small FEMA trailers, plagued by water and sewer problems. Too, they are on a looming deadline that will force them to return the trailers to FEMA.

It is clear that the housing program administered through the Governor's Office and the MDA is not working as planned, and is unlikely to work as planned anytime in the near future.

We do not know whose fault this may be; we only know that the residents of the Coast who lost their homes deserve much better, and they deserve better now.

We noticed this week that Sen. Lott, who along with Sen. Thad Cochran was so instrumental in securing these federal dollars, said he is "very sad and disappointed" that fewer than 100 Coast homeowners have received

payments under the Community Development Block Grant program through MDA.

Sen. Lott this week called the record thus far "outrageous" and said it "baffles" him. We the undersigned House members agree wholeheartedly with him. We also have been disappointed that the Legislature was not asked to serve in an advisory position on the federally financed program, so that we could keep our constituents better informed.

We believe the lack of substantial progress on a homeowners grant program is a travesty that Coast residents did not have to suffer. We hereby put Gov. Barbour on notice that if and when he calls another special session, the House is prepared to again offer a state-financed homeowners grant program.

The House has passed such a program four times since Hurricane Katrina, and it is now time to act decisively and help our Coast residents get back into their homes.

A full recovery of our beloved Coast is simply not possible until these families are able to return home. We stand ready to help them do so.

Members of the Joint Legislative Budget Committee:

REP. CECIL BROWN

REP. GEORGE FLAGGS

REP. STEVE HOLLAND

REP. DIANE PERANICH

REP. JOHNNY STRINGER

REP. PERCY WATSON